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April 29, 2013

The Honorable Gene Dodaro  
Comptroller General  
U.S. Government Accountability Office  
441 G Street, N.W.  
Washington, D.C. 20548

Dear Mr. Dodaro:

This fall will mark the tenth year since Congress passed the Medicare Modernization Act, the landmark legislation that established a voluntary outpatient prescription drug benefit through private plans approved by the federal government. Today, 49 million elderly and disabled beneficiaries will have a choice of more than 20 stand-alone prescription drug plans (PDPs) and multiple combination Medicare Advantage-Prescription Drug plans (MA-PD) available in their region. With more than \$65 billion invested, and important personal coverage decisions at stake, ensuring plan sponsor compliance with fair marketing practices to seniors and the accuracy of the information provided to beneficiaries electronically is essential for both beneficiaries and the taxpayer.

The Medicare Part D program has grown significantly in size and complexity since the first year of open enrollment began. While ninety percent of seniors say that they are satisfied with the Medicare Part D prescription drug program, numerous independent studies demonstrate that seniors continue to overspend on, and remain confused by, their Part D plan options.<sup>1</sup> Additionally, in the Office of the Inspector General's most recent compendium of unimplemented recommendations, the Medicare Part D program is cited as particularly vulnerable to fraud and abuse, and program integrity investments in Part D in those areas of the program that directly impact beneficiaries have been limited.<sup>2</sup>

To realize the benefits of expanded consumer information as the program continues to grow, the data displayed on the Plan Finder must be complete and accurate, and CMS must make certain

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<sup>1</sup> Zhou, C & Zhang, Y. The Vast Majority of Medicare Part D Beneficiaries Still Don't Choose the Cheapest Plans That Meet Their Medication Needs. *Health Affairs*, 31, No. 10 (2012) 2259-2265.

Abaluck, J & Gruber, J. Choice inconsistencies among the elderly: evidence from plan choice in the Medicare Part D program. *Am Econ Rev*, 101, No. 4 (2011) 1180-2100.

<sup>2</sup> Office of the Inspector General, *Compendium of Unimplemented Recommendations*, December, 2012  
<https://oig.hhs.gov/reports-and-publications/compendium/files/compendium2012.pdf>

that plan sponsors observe the Medicare marketing guidelines that safeguard consumer transparency. Such a body of work studying the accuracy of plan information given to Medicare Part D consumers is of critical importance in order for Congress and the federal government to continue to make targeted improvements that will help seniors to navigate and choose the right coverage.

Therefore, we respectfully request that GAO conduct a limited study prior to the start of this year's open enrollment period to examine the following:

- 1) Is the information on plans and drug pricing provided to beneficiaries on the Part D Plan Finder accurate and up-to-date? Is the data displayed in a way that it appears consistent to beneficiaries? How has the Plan Finder evolved, and what strategies could further improve usability?
- 2) What certification process is in place to ensure ongoing completeness of data in accordance with federal regulation? Is CMS conducting adequate oversight of private insurers' compliance with information provided to consumers?
- 3) Is current oversight focusing on the transparency and marketing of plans to seniors adequate and in accordance with CMS' stated Medicare Marketing Guidelines?

Thank you for your attention to this request.

Sincerely,



Bill Nelson  
Chairman



Susan M. Collins  
Ranking Member